



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### Testimony

#### Insurance and Real Estate Committee

February 25, 2014

#### **Raised Bill No. 199: AN ACT CONCERNING LONG-TERM CARE INSURANCE PREMIUM RATE INCREASES.**

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the Insurance Department thanks the Committee for raising **Senate Bill No. 199: An Act Concerning Long-Term Care Insurance Premium Rate Increases**, at the Department's request.

The Insurance Department is mindful that the cost of long term care health insurance, in both the individual and group market, is significant for insured policyholders and certificate holders, many of whom are senior citizens with fixed incomes. We are sympathetic to consumers trying to meet these rising costs, especially in these economic times.

Generally, raised Bill No. 199, if enacted, would require Long-term care (LTC) carriers to spread the cost of a premium rate increase of 20% or more over a minimum of three years in addition carriers will be required to give the policy holder the option to reduce his or her benefits in order to minimize the premium increase.

We recognize that this is not a solution to the underlying issue of increasing rates occurring all over the country. Although, we hope that by requiring the carriers to spread the premium increase over a period of three years, coupled with the requirement that policy holders be given the option to reduce their benefits, policy holders can better plan and adjust to meet these rising costs.

The Department thanks the Insurance Committee Chairs and members for the opportunity to provide testimony on Senate Bill 199 and respectfully urges its passage.

**About the Connecticut Insurance Department:** The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. Each year, the Department returns an average of \$100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization.